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APPLICATION FOR RETENTION
OF ATTORNEY

TO THE HONORABLE JOHN J. GALEY, BANKRUPTCY JUDGE:

The application of Bruce D. Scherling, Interim Trustee herein, respectfully represents:

1. On October 19, 1981, Coabe Fill Corporation, debtor herein, filed a voluntary petition. On October 19, 1981, applicant was appointed Interim Trustee pursuant to 11 U.S.C. 701, has qualified and is currently acting in that capacity.

2. This application is for authority to retain the law firm of Bruce D. Scherling, Esq., as attorney to the Trustee, to perform services essential to the proper administration of the estate.

3. The debtor, a New Jersey corporation, is a wholly owned subsidiary of Combustion Equipment Associates, Inc., which has a principal place of business at 555 Madison Avenue, New York, New York, and has filed a petition in this District for relief in accordance with Chapter 11, Title 11, of the United States Code, Case No. 80 B 11757. The debtor operated two solid-waste disposal and sanitary landfills in Chester, New Jersey, and Mount Olive, New Jersey, respectively.

4. On October 20, 1981, applicant took possession and control of the debtor's operation at Chester, New Jersey, and secured the equipment, machinery and property. Applicant also requested an immediate freeze on the debtor's sole active bank account, account number 051-033-118-4 at the American National Bank in Chester, New Jersey, determined that a balance of \$37,190.41 was on hand, and requested immediate turnover of said funds to the Trustee. Said funds were turned over to the Trustee on October 21, 1981, and applicant opened a Trustee account at said bank. Additional deposits from operations have produced a current balance of approximately \$60,000.

5. Upon assuming control of the debtor, applicant was informed, through discussions with management and representatives of the Board of Public Utilities and the Department of Environmental Protection, that the landfill at Chester is currently the sole operating dumping facility in the County of Morris serving approximately 33 towns as well as numerous private haulers. Applicant further determined through said discussions that there is currently no alternative site for hauling and dumping should the debtor's operations cease. The landfill formerly operated by the debtor in Mount Olive has reached capacity and is inactive.

6. Immediately upon taking control of the debtor, applicant commenced a series of conferences with members of the parent corporation's staff on hand to assist in the transition, with members of Compaction Systems, Incorporated, which has operated the facility under a service contract, and with former management of the debtor.

costs, debt and operating revenues were compiled, and listings of assets, liabilities and functions were set forth. On October 20th, applicant reviewed the data with Irving Picard, U.S. Trustee, with respect to the possibility of operating the facility for the benefit of the estate and its creditors.

8. On October 21st, applicant brought his accountant, Jerry B. Klein, to the facility for further scheduling of projected operating costs, revenues and other liabilities.

9. On October 23, 1981, applicant reviewed the entire situation with the United States Trustee and, based on the information obtained, made an oral application to this Court for authority pursuant to 11 U.S.C. 721 to operate the debtor. Said order was duly signed and entered by Judge Babitt on October 23, 1981.

10. It is necessary that applicant appoint an attorney to perform professional services essential to the proper administration of the estate. The services to be performed are as follows:

(a) To review all contracts, leases, service agreements, mortgages and other documents pertinent to the ongoing operations of the debtor and to renegotiate, reject or affirm said contracts, leases, or service agreements as may be in the best interests of the estate and its creditors;

(b) To review the tariff for solid waste disposal

to be filed pursuant to the order of the Public Utility Commission on July 14, 1930, and the petition for an increase in operating rates filed on behalf of the debtor on March 30, 1931, and to draft such documents and retain such agents, including special counsel in New Jersey, as may be necessary to obtain an emergency rate increase in furtherance of the authorization to operate pursuant to 11 U.S.C. 721;

(c) To continue certain acquisition negotiations with prospective purchasers which were in progress at the time of filing and to prepare agreements, contracts, bills of sale, deeds, and all other instruments and documents necessary to carry out the sale of the debtors assets;

(d) To conduct an investigation into the financial affairs of the debtor and, if appropriate, to commence adversary proceedings for the avoidance of fraudulent and preferential transfers;

(e) To prepare on behalf of the Trustee any additional applications, orders, reports, and other papers.

11. Applicant wishes to retain the law firm of Bruce B. Scherling as attorney for the Trustee in this proceeding since from October 19, 1931. Mr. Scherling and his associate are currently engaged in numerous bankruptcy matters and applicant believes that the retention of this firm as attorney for the Trustee is in the best interests of the estate.

12. To the best of applicant's knowledge, the proposed counsel represents no interest that is adverse to the estate of

the debtor or to the Trustee.

13. To the best of applicant's knowledge, counsel has no connection with the debtor, their creditors or any other parties in interest or their respective attorneys.

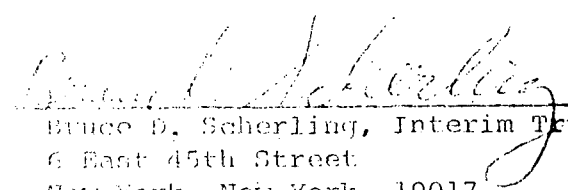
14. This application is not made at the recommendation of any party.

15. Applicant desires to employ the law firm of Mr. Scherling under a general retainer because of the broad range of legal services which may be required in the administration of this estate.

16. No previous application has been made for the relief sought herein to this or any other Court.

WHEREFORE, applicant respectfully prays that he may be authorized to employ and appoint the law firm of Bruce D. Scherling as attorney for the Trustee under a general retainer and that he have such other and further relief as is just.

Dated: New York, New York
October 26, 1981


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